GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce Department - Extension of certain incentives under Andhra Pradesh Electronics Policy 2014-20 to M/s. Rising Star Mobiles India (P) Limited, for their established Mobile Phones Manufacturing plant in Sri City, Chittoor District with an initial investment of Rs.100 crore and providing employment to more than 2,000 people– Orders- Issued.

INDUSTRIES & COMMERCE (POLICY & INVESTMENT) DEPARTMENT

G.O.MS.No. 7 Dated: 07-01-2016
Read the following:-

1. From M/s. Rising Star Mobiles India (P) Limited, 380, Belerica Road, Sri City, Siddam Agraharam Village, Varadaiahpalem Mandal, Chittoor District, Andhra Pradesh, letter Dt: 06-11-2015.
2. Empowered Committee of Secretaries Meeting held on 09.11.2015
3. State Investment Promotion Board Meeting held on 17.11.2015.

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O R D E R:-

In the letter 1st read above, M/s. Rising Star Mobiles India (P) Limited has informed that based on the commitment given by the Government during the discussions with their representatives, they had gone ahead with implementation of the project in Sri City, Chittoor District with an initial investment of over Rs.100 crore with a capacity to produce 2 million handsets per month and employing more than 2,000 people directly, mostly women. It is also proposed to double the capacity by the end of 2015, which will result in creation of 3,000 additional jobs. The parent company of Rising Star Mobiles India (P) Limited is evaluating expansion & diversification opportunities in Andhra Pradesh in the electronics sector based on the success of the above project.

2. M/s. Rising Star Mobiles India (P) Limited have requested for the following benefits for the Sri City Plant:-

(i) VAT/CST retention for a period of 15 years
(ii) Exempt 100% VAT on local purchase.
(iii) 100% Retention from VAT payable on local sales.
(iv) 100% Retention on CST payable on cross-state sales.
(v) All incentives agreed should be retained as the same when GST is implemented.
(vi) If any of their customer is given any VAT/ CST/GST benefit, the incentive to their unit should not be affected
(vii) 5% Input tax reversal for interstate stock transfer under form F should not be applicable for the unit.
(viii) 2 months' salary training cost for newly hired employees.
(ix) 3 year subsidy on related domestic & overseas training cost incurred (or up to USD 5 million per annual).

3. In the reference 2nd read above, the Empowered Committee of Secretaries (EC) after detailed discussions has recommended to SIPB to extend the following interim incentives to M/s. Rising Star Mobiles India (P) Limited for their unit in Sri City:

(i) Reimbursement of net VAT without any investment limit for period of (10) years from date of commencement of commercial production.

(ii) The net VAT reimbursement is to be made on a quarterly basis.
(iii) CST waiver for 10 years.
(iv) VAT / SGST rate fixed at 5% during the applicable reimbursement period.
(v) Reimbursement of the cost incurred for Training & Skill Up gradation @ Rs 10,000 per person.

(PTO)

The above incentives are sanctioned with retrospective effect i.e., w.e.f. the date of commencement of commercial production.

4. In the reference 3rd read above, the State Investment Promotion Board (SIPB) after detailed discussions, decided to extend the following interim incentives to M/s. Rising Star Mobiles India (P) Limited for their unit in Sri City.

(i) Reimbursement of net VAT without any investment limit for period of (10) years from date of commencement of commercial production.

(ii) The net VAT reimbursement is to be made on a quarterly basis.
(iii) CST waiver for 10 years.
(iv) VAT / SGST rate fixed at 5% during the applicable reimbursement period.
(v) Reimbursement of the cost incurred for Training & Skill Up gradation @ Rs 10,000 per person.

The above incentives are sanctioned with retrospective effect i.e. w.e.f. the date of commencement of commercial production

5. The Government after careful examination of the recommendations of the SIPB, hereby decided to extend the following incentives to M/s. Rising Star Mobiles India (P) Limited for their established unit of manufacturing high quality electronic devices such as mobile phones in Sri City, Chittoor District with an initial investment of about Rs.100 crore and employing more than 2,000 people:-

(i) Reimbursement of net VAT without any investment limit for period of (10) years from date of commencement of commercial production.
(ii) The net VAT reimbursement is to be made on a quarterly basis.
(iii) CST waiver for 10 years.
(iv) VAT / SGST rate fixed at 5% during the applicable reimbursement period.
(v) Reimbursement of the cost incurred for Training & Skill Up gradation @ Rs 10,000 per person.

The above incentives are sanctioned with retrospective effect i.e. w.e.f. the date of commencement of commercial production.

6. The Director of Industries, A.P, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

7. This order issues with concurrence of Finance Department vide their U.O.No.42/01/Fin (FMU-Rev & IC) Dept./ A1/2016, dt: 06-01-2016.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

S.S.RAWAT
SECRETARY TO GOVERNMENT &
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
The Director of Industries, Andhra Pradesh, Hyderabad.
M/s. Rising Star Mobiles India (P) Limited, 380, Belerica Road, Sri City, Siddam Agraharam Village, Varadaiahpalem Mandal, Chittoor District, Andhra Pradesh, through Director of Industries, AP, Hyderabad.
Copy to:
The Finance (EBS-VIII)Dept.,
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Law (H) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Hyderabad
The Vice Chairman & Managing Director, APIIC, Hyderabad.
P.S. to Secretary to Chief Minister
P.S. to Chief Secretary to Government
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

//FORWARDED :: BY ORDER//

SECTION OFFICER